

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Armstrong Flooring, Inc., *et al.*,
Debtors.

Chapter 7

Case No.: 22-10426 (MFW)
(Jointly Administered)

**PLAINTIFF’S EIGHTH NOTICE OF SETTLEMENT OF
POTENTIAL AVOIDANCE ACTIONS AND AVOIDANCE ACTIONS PURSUANT TO
SETTLEMENT PROCEDURES ORDER**

Alfred T. Giuliano, chapter 7 trustee (the “Trustee” or “Plaintiff”) for the estates of Armstrong Flooring, Inc., *et al.*, (the “Debtors”) by and through his attorneys, hereby files this *Eighth Notice of Settlement of Potential Avoidance Action and Avoidance Actions Pursuant to Settlement Procedures Order* (the “Notice”) pursuant to the *Order on Motion for Approval of Procedures Regarding Settlements of Avoidance Claims Pursuant to Bankruptcy Rule 9019(b)* (the “Settlement Procedures Order”) (D.I. 1005) entered on November 21, 2022, and avers as follows:

1. Commencing on or about November 1, 2022, and continuing thereafter, the Debtors sent demand letters to certain potential defendants for the avoidance and recovery of certain potential transfers pursuant to sections 547, 548, and 550 of title 11 of the United States Code (the “Potential Avoidance Actions”).

2. Commencing on or about January 30, 2023, the Debtors filed adversary proceedings against certain defendants for the avoidance and recovery of certain transfers pursuant to sections 547, 548, and 550 of title 11 of the United States Code (the “Avoidance Actions”).

3. On April 17, 2023, the Court converted the Debtors’ chapter 11 cases to ones under chapter 7 of the Bankruptcy Code (the “Conversion Order”) (D.I. 1351). The Debtors

settled certain Avoidance Actions prior to the date of the Conversion Order which require Court approval as required under the Settlement Procedures Order.¹

4. Pursuant to the Settlement Procedures Order, Potential Avoidance Actions and Avoidance Actions with gross amounts demanded equal to or less than \$750,000.00² are subject to Notice of Settlement procedures.³ Under the Notice of Settlement procedures, Plaintiff may file notices of settlement subject to notice and a ten (10) day objection period. Pursuant to the Settlement Procedures Order, the notice of electronic filing issued through the Court's Electronic Filing System shall constitute adequate and sufficient service of the Notice of Settlement.

5. As provided in the Settlement Procedures Order, if no objections are properly filed and served by the objection deadline, Plaintiff is authorized to submit a proposed form of order under certification of counsel (the "Proposed Order"). A proposed settlement will be deemed final and fully authorized by the Court upon the entry of the Proposed Order without further notice or hearing.

6. Prior to the date of the Conversion Order, the Debtors negotiated settlements of certain Potential Avoidance Actions and Avoidance Actions identified on Exhibit A attached hereto. Exhibit A contains the name of each such potential defendant and defendant (the "Defendants"), the total transfers sought against each potential Defendant and Defendant, the amount paid or to be paid by each potential Defendant and Defendant to the Debtors in settlement of the Avoidance Action, and an asserted defense/settlement summary (the "Proposed Settlement").

¹ For the avoidance of doubt, the Debtors have not engaged in any further settlement negotiations from the date of the hearing which ultimately resulted in the Conversion Order several days later. Only pre-conversion settlements are included on this final Notice of settlements for the Debtors.

² As indicated in the Settlement Procedures Order, Potential Avoidance Actions with gross amounts demanded greater than \$750,000.00, and all Potential Avoidance Actions against insiders or former insiders of the Debtors, are subject to seeking Court approval pursuant to Bankruptcy Rule 9019(a).

³ Capitalized terms not defined herein shall have the meanings ascribed to such terms in the *Motion for Approval of Procedures Regarding Settlements of Avoidance Claims Pursuant to Bankruptcy Rule 9019(b)* (D.I. 962) and/or the Settlement Procedures Order.

7. For each Proposed Settlement identified on **Exhibit A**, Plaintiff believes that the Proposed Settlement is in the best interest of the creditors taking into account the efficacy of the defenses raised by the respective Defendant. Additionally, given the known cost of further pursuing the matter, Plaintiff has determined that the net result to creditors would be greater through the Proposed Settlement than through further litigation.

8. Notice of the Proposed Settlements has been provided as required in the Settlement Procedures Order.

9. Absent any objections on or before January 22, 2024, Plaintiff shall file a certification of counsel seeking entry of the Proposed Order for the settlements listed on **Exhibit A**.

Dated: Wilmington, Delaware
January 10, 2024

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Counsel for Alfred T. Giuliano, Chapter 7 Trustee

Exhibit A

Schedule of Settlements Subject to Notice of Settlement Provisions

Company Name	Gross Amount Demanded	Settlement	Adversary Number	Asserted Defenses/ Settlement Summary
AVI-SPL LLC	\$ 174,575.00	\$ 75,000.00	23-50025	Settlement is at least a 65% recovery of the net preference amount after defenses under 547(c)(2) and (c)(4).
J & M Tank Lines, Inc.	\$ 439,843.47	\$ 40,000.00	23-50016	Settlement is at least a 65% recovery of the net preference amount after defenses under 547(c)(2) and (c)(4).